BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

In the Matter of the Application of) KAUAI ISLAND UTILITY COOPERATIVE)

DOCKET NO. 03-0223

For Approval to Commit Funds in Excess of \$500,000 for the purchase) Of the Kauai Power Partners Facility and Related Matters.

ORDER NO. 20402

Chief Clerk of the Commission

> ATTEST: A True Copy KAREN HIGASHI Chief Clerk, Public Utilities Commission State of Hawaii.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

In the Matter of the Application of)

KAUAI ISLAND UTILITY COOPERATIVE)

For Approval to Commit Funds in)
Excess of \$500,000 for the purchase)
Of the Kauai Power Partners)
Facility and Related Matters.

Docket No. 03-0223

Order No. 20402

ORDER

I.

application filed By an on August 18, 2003. KAUAI ISLAND UTILITY COOPERATIVE ("KIUC" or "Applicant") requests commission approval to commit an estimated \$42.2 million for the purchase of the Kauai Power Partners facility and related KIUC makes its request in accordance with matters. 7, Standards for paragraph 2.3.g.2 of General Order No. Electricity Utility Service in the State of Hawaii ("G.O. No. 7"). Copies of the application were served on the Division of Consumer Advocacy, Department of Commerce Consumer Affairs ("Consumer Advocate").

Paragraph 2.3.g.2 of G.O. No. 7 requires the commission to "render a decision within 90 days of filing by the utility" ("90-day Review Period"). The 90-day Review Period ends on November 17, 2003. In light of this 90-day Review Period and to assist in the efficient and timely disposition of this proceeding, we find it appropriate, at this juncture, to require KIUC and the Consumer Advocate to initially meet informally to

formulate the issues, procedures, and schedule with respect to this proceeding, to be set forth in a stipulated procedural order. The stipulated procedural order shall be submitted for commission approval within 20 days from the date of this order. If unable to stipulate to such an order, each party shall submit its own proposed procedural order for the commission's consideration within 20 days from the date of this order.

The commission recognizes that KIUC, in its August 15, 2003 application, agreed to extend the 90-day Review Period, until November 30, 2003. However, because there is nothing in the record indicating the Consumer Advocate's position on KIUC's agreement to extend the 90-day Review Period, the parties may attempt to agree on this issue through its stipulated procedural order. Otherwise, the commission will render a decision on that issue subsequent to either the filing of the stipulated procedural order or proposed procedural order.

II.

Advocate shall meet informally to formulate the issues, procedures, and schedule with respect to this proceeding, to be set forth in a stipulated procedural order. This procedural order shall be submitted for commission approval within 20 days of the date of this order. If unable to stipulate to such an order, each party shall submit its own proposed procedural order for the commission's consideration within 20 days of the date of this order.

03-0223

DONE at Honolulu, Hawaii this 28th day of August, 2003.

> PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

Commissioner

APPROVED AS TO FORM:

Kevin M. Katsura Commission Counsel

03-0223.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20402 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

ALTON MIYAMOTO PRESIDENT, CEO KAUAI ISLAND UTILITY COOPERATIVE 4463 Pahe'e Street Lihue, Kauai, HI 96766-2032

ALAN M. OSHIMA, ESQ. KENT D. MORIHARA, ESQ. OSHIMA, CHUN FONG & CHUNG LLP 841 Bishop Street, Suite 400 Honolulu, HI 96813

Karen Higashi

DATED: August 28, 2003